

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

Johnson County Gas Co. , Inc.)
Van Lear, Kentucky)

Case No. 8235

O R D E R

On May 27, 1983, Columbia Gas of Kentucky, Inc., ("Columbia") one of Johnson County Gas Company's ("Johnson County") gas suppliers, filed a motion with this Commission requesting authority to terminate service to Johnson County because of Johnson County's continued non-payment of amounts owed to Columbia. The Commission, in an Order entered June 10, 1983, overruled Columbia's motion but further ordered Johnson County to prepay Columbia for the months of June, July and August or termination by Columbia would be authorized upon five days written notice. The Commission, moreover, ordered that Johnson County should obtain a source of gas supply other than Columbia within 90 days of the Order of June 10, 1983, and should advise the Commission in writing no later than August 31, 1983.

On August 26, 1983, Johnson County filed a report and gas supply agreement with Atlantic Gas Transmission Co. and stated that the agreement was in full compliance with the Commission's Order of June 10, 1983. The Commission has reviewed the agreement entered into between Johnson County and Atlantic Gas

Transmission Company and finds that it does not meet the requirements of the Commission's Order since Atlantic Gas Transmission Company's gas facilities do not connect to Johnson County's facilities and, therefore, the gas must be transported across Columbia Gas Transmission Corporation's and Columbia's (of Kentucky) facilities. Neither Columbia Gas Transmission Corporation nor Columbia (of Kentucky) has filed agreements to allow the transportation of this gas through their facilities, and, thus, Johnson County's agreement with Atlantic Gas Transmission Company is incomplete and does not constitute compliance with the Commission's Order.

On August 29, 1983, Columbia notified Johnson County that it was terminating service on September 9, 1983, pursuant to the Commission's Order of June 10, 1983. The Commission fully intended that Johnson County should have an alternative source of gas supply as of September 1, 1983. As explained, Johnson County does not. The Commission does not want Johnson County customers to be inconvenienced. Therefore, the Commission will require Columbia to continue to serve Johnson County on and after the stated termination date of September 9, 1983, until September 30, 1983. The Commission will, however, require Johnson County to prepay the September, 1983, estimated bill to Columbia in accordance with the previous stipulations for the months of June, July and August, 1983 as set out in the Order of June 10, 1983.

The Commission, moreover, is setting this matter for hearing and formal conference, in the Commission's offices in Frankfort, Kentucky, on September 13, 1983, at 11:00 A.M. Eastern Daylight Time. The purpose of this hearing and formal conference is to provide one final attempt to solve the dilemma of Johnson County. The Commission is, therefore, of the opinion that all parties of record and other parties with expressed interest in Johnson County should be present and should be fully authorized to negotiate and/or transact business either for themselves or in the name of their respective clients.

IT IS THEREFORE ORDERED that Columbia shall not terminate service to Johnson County on September 9, 1983.

IT IS FURTHER ORDERED that Johnson County shall prepay its estimated September, 1983, gas bill to the Lexington, Kentucky, office of Columbia, to the attention of Mr. Robert Ames on or before September 9, 1983. Columbia should advise Johnson County of the amount it owes by September 8, 1983. If Johnson County fails to prepay the estimated amount, Columbia may terminate service to Johnson County upon five days written notice.

IT IS FURTHER ORDERED that a hearing and formal conference in this matter is to be held in the Commission's offices in Frankfort, Kentucky, on September 13, 1983, at 11:00 a.m., Eastern Daylight Time.

IT IS FURTHER ORDERED that the following parties shall appear and be prepared to negotiate and/or transact business for themselves or in the name of their respective clients: Johnson County Gas Company, Columbia Gas of Kentucky, Inc., Columbia Gas Transmission Corporation, The Department of Local Government, Kentucky West Virginia Gas Company, Atlantic Gas Transmission Company, Milling Creek Corporation or Mr. Jack Daniels, the Attorney General's Division of Consumer Protection and a representative from the Appalachian Research Defense Fund.

Done at Frankfort, Kentucky, this 7th day of September, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary